

## **CORRECTED FISCAL NOTE**

### **SB 127 - HB 233**

March 3, 2004

**SUMMARY OF BILL:** Creates the *Tennessee National Guard Tuition Assistance Program* to provide members of the Tennessee National Guard with the opportunity to attend a state educational institution. This program would be established under the adjutant general of Tennessee who would promulgate rules and regulations to establish eligibility requirements for participation.

Under this program, the Military Department would pay, to the extent funds have been appropriated by the General Appropriations Act and are available to the program, the cost of the eligible member's tuition at a state educational institution. An active member of the Tennessee National Guard who is not a Tennessee resident would qualify for the tuition assistance benefits provided that:

1. The member is enrolled in an educational institution within the state;
2. The tuition assistance benefits could not exceed the amount of in-state tuition assistance the member would have received if the member were a Tennessee resident; and
3. The tuition assistance benefits provided to the member who is enrolled at a private college or university shall not exceed the amount of in-state tuition assistance the member would receive if the member were enrolled at a state-supported educational institution.

### **ESTIMATED FISCAL IMPACT:**

On February 17, 2003, we issued a fiscal note which indicated *an increase in State expenditures of \$214,750 and other fiscal impact as an increase in Federal expenditures of \$644,250.*

Based on additional information provided to us by the Department of Military, the estimated fiscal impact is as follows:

#### **(CORRECTED FISCAL NOTE)**

**Increase State Expenditures - \$445,800 Reflected in Governor's 2004-05 Budget**

**Other Fiscal Impact - Increase Federal Expenditures - \$1,337,400**

Last year the Military Department received \$1,300,000 in federal funding which represented 75% of the cost of the present tuition assistance program. The remaining 25% of the cost was paid by the members of the guard who were enrolled in classes at a higher education institution.

Under the ACES Tuition Assistance Program administered by the Department of Military, all eligible Army National Guard personnel receive up to 75% of their tuition paid with federal funds through this program. Therefore, it is assumed that approximately 75% of the total cost of the Tennessee National Guard Tuition Assistance Program, set out by the provisions of this bill, will be paid with federal funds.

In the Governor's 2004-05 recommended budget, an appropriation of \$445,800 is included for the purpose of providing funding to supplement federal tuition assistance by funding 25% of higher education tuition for eligible Army and Air National Guard recruits in Tennessee. This will result in the tuition assistance program being fully funded at \$1,783,200. Of this amount, \$1,337,400 would be federal funds and \$445,800 would be state funds. (In the Governor's 2002-03 Budget, an appropriation of

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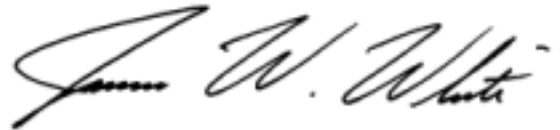
### **CORRECTED**

\$250,000 was included for the purpose of providing eligible National Guard personnel with tuition assistance. However, in the 2002-03 General Appropriations Bill, Section 10, Item 79, this funding was removed.)

For information purposes: The Tennessee National Guard Tuition Assistance bill in prior years was estimated to increase state expenditures in the amount of \$214,700. This amount of money was determined by the Department of Military as the amount that could be used as seed money to start the program. Once the program was initiated, The Military Department indicated that the amount of state appropriations needed each year to fund the program could increase to approximately \$500,000.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director